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SUBJECT: SPECIAL ISRAEL MEDIA REACTION

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SUBJECTS COVERED IN THIS REPORT:  
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Visit of U.S. Special Envoy Sen. George Mitchell to Israel and the  
Palestinian Authority

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Key stories in the media:  
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All media led with PM Benjamin Netanyahu's conversation with  
President Obama, the visit of U.S. Special Envoy for Middle East  
Peace George Mitchell to Israel, or related matters.

Major media described a telephone conversation that took place yesterday between the President and Netanyahu. Both Yediot and Maariv reported that Obama told Netanyahu that he is waiting with great interest for his speech next week. Yediot bannered: QConciliation Call between Netanyahu and ObamaQ and Maariv: QObama to Netanyahu: Waiting for [Your] Speech.Q Yediot quoted Israeli diplomatic sources as saying that through his call, the President expressed his desire that Netanyahu will deliver a moderate speech.

Akin to other media, HaQaretz quoted sources close to the PM as saying that Netanyahu will consult all Likud Knesset members ahead of his speech. Yediot quoted Netanyahu associates as saying that the Americans understand that they went too far and that in the final analysis, Netanyahu is the United StatesQ partner. HaQaretz quoted Netanyahu's confidants as saying that the PM believes that President Obama wants a confrontation with Israel, based on Obama's speech in Cairo last week. The Netanyahu associates are further quoted as saying that, in Netanyahu's opinion, the Americans believe an open controversy with Israel would serve the Obama administration's main objective of improving U.S. relations with the Arab world.

Israel Radio quoted a White House spokesman as saying that the President stresses his commitment to IsraelQs security.

The Jerusalem Post reported that QMitchellQs first endeavor upon landing in Israel Monday night was to try and lower the volume in the U.S. dispute over settlement construction. The Jerusalem Post and Yediot cited Sen. MitchellQs denial through the U.S. Embassy of media reports that he had said that Qthe Israelis lied to us all these years. ItQs over.Q He called the reports Qa total fabrication.Q The Jerusalem Post wrote that MitchellQs comments indicate what appears to be a growing sensitivity in the State Department to what it feels are inaccurate quotes by senior U.S. officials that are heating up the atmosphere between the U.S. and Israel over the settlement issue. Maariv quoted Israeli diplomatic sources as saying yesterday that it appears that Netanyahu will agree to a formula that will allow natural growth to continue only in the large blocs of settlements expected to remain under Israeli sovereignty in a future agreement, but not in isolated settlements.

Maariv quoted a senior Israeli official as saying that this is apparently NetanyahuQs Qred line.Q HaQaretz wrote that Mitchell reportedly told former Meretz Party leader Yossi Beilin that he would like to commence negotiations on the core issues of the final-status agreement as soon as possible. HaQaretz further reported: QMitchell is also expected to raise the possibility of resuming negotiations on the Syrian track. With this in mind, Fred Hoff, Mitchell's chief of staff and a Syria expert, is expected to arrive in Israel, too. Another matter expected to top the agenda during the meetings is the humanitarian situation in the Gaza Strip.

Netanyahu and [Defense Minister Ehud] Barak will brief Mitchell about Wednesday's scheduled special cabinet meeting on the subject, expected to result in a decision to lift restrictions on importing foodstuffs and other goods into the Strip. The cabinet is also expected to lift the ban on exports.

HaQaretz reported that yesterday PA President Mahmoud Abbas met with Yossi Beilin at the Muqata'a government compound in Ramallah, where the Palestinian leader expressed his satisfaction with the results of his White House meeting with President Obama two weeks ago.

"Washington has changed its attitude toward the Palestinians completely," Abbas reportedly told Beilin. During their conversation, Abbas said the PA intends to meet the U.S. demand to cease incitement against Israel by official Palestinian organs. "There are things that we need to correct in our official media and elsewhere," Abbas was quoted as saying. "I am in favor of dealing with these issues. But at the same time, Israel needs to address similar matters, too."

Citing the AP, HaQaretz reported that yesterday the deputy head of Hamas's political wing, Moussa Abu Marzouk, urged Obama to talk directly with the militant group, saying that Hamas represents the Palestinian people and the U.S. President's drive for Mideast peace will fail without it. Abu Marzouk also said that Hamas would not renounce violence. The U.S. and its European allies also want Hamas to recognize Israel, which it also refuses to do. Abu Marzouk was quoted as saying that the Obama administration should change these positions, "because they know that without Hamas, their efforts will not succeed."

Israel Radio quoted Tony Blair, the Quartet's Middle East envoy, as saying after a Palestinian donors' conference in Oslo that Obama's push for a peace deal should be embraced by Arab states.

The Jerusalem Post reported that yesterday the Foreign Ministry voiced concern that Hizbullah might try to regain its lost prestige in the Lebanese elections with an attack along the border with Israel. The newspaper also quoted an Israeli defense source as saying yesterday that Hizbullah failed to win the elections largely because of widespread dissatisfaction among the Lebanese people over the Second Lebanon War.

Israel Radio reported that Syria has conveyed to Israel through the U.S. that it is interested in renewing Turkish-mediated negotiations.

The Jerusalem Post reported that Defense Minister Barak and Strategic Affairs Minister Moshe Ya'alon will deliver major policy speeches before Netanyahu.

The media reported that Netanyahu influenced the appointment of Yisrael Beiteinu MK David Rotem and National Union MK Uri Ariel to the Knesset's Judges Appointments Committee. The media quoted left-wing politicians that this is a bad choice that is bound to influence the composition of the High Court of Justice.

The Jerusalem Post reported that a new video posted on the Internet featuring inebriated American Jewish youth in a Jerusalem bar spouting hate-filled sentiments against President Obama has garnered massive exposure and caused a firestorm in the media and the Jewish world.

Yediot reported that three Israelis were chosen to participate in a project initiated by NASA, Google, and MIT, which is meant to present prospects about the world in 20 years' time.

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U.S. Special Envoy Sen. George Mitchell to Israel, West Bank, June 8-10, 2009:  
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Block Quotes:  
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#### I. QMess with Peace at Your Peril

Senior columnist and longtime dove Yoel Marcus wrote in the independent, left-leaning Ha'aretz (6/9): QAnyone who asks, as usual, whether the new president is good or bad for the Jews will hear that there is no change in the general attitude toward Israel, but rather in the zeal for ending the conflict. Obama's United States does not want to have to choose between us and the Arabs. America's friendship for Israel still crosses party borders in Congress. And a wagging finger is warning the extremists that anyone who interferes with peace will pay the price. This includes Israel's extreme right, which continues to cling to the insane idea that Israel's salvation lies only in holding on to the territories and outposts. No one will deny, for example, that life will be better after Hizbullah's defeat in this week's elections. The change Obama is proposing is not to Israel's detriment; rather, it seeks a swift agreement between us and the Palestinians. This approach demands that Hamas recognize Israel and stop terror; it also demands that we stop building in the territories, take down the unapproved outposts and prepare for a plan of two states for two peoples. Prime Minister Benjamin Netanyahu has no alternative but to adapt to the new reality, lest anyone who thwarts Obama's QYes we canQ be struck by lightning.

#### II. QYishai Must Be Reined In

HaQaretz editorialized (6/9): QEvery sign suggesting an inkling of hope about a political solution between Israel and the Palestinians makes Shas chairman Eli Yishai try to outdo the extreme right wing for the title champion dissenter. From the Oslo 2 accords in September 1995 to the Annapolis process under the Olmert government, Shas has opposed every attempt to reach a compromise. Yishai prevented Prime Minister Ehud Olmert from raising the issue of Jerusalem in final-status negotiations, and now he wants to

transform the Interior Ministry under his aegis into a tool for expanding settlements and overtly challenging U.S. President Barack Obama. Yishai is undermining his party's image as the protector of society's weak and downtrodden. He is also trying to compete with Yisrael Beiteinu's racist campaign against Arab citizens in his demand that the right to annul Israeli citizenship be returned to his office -- a right the courts currently hold. Yishai's statements require the Prime Minister to put the Interior Minister in his place immediately. Benjamin Netanyahu must make clear that he opposes Yishai's statements and will allow no one to act unilaterally to expand the settlements. Israel's interests are not tools in the hands of politicians acting out of considerations that have nothing to do with the public's broader good.

### III. QAfraid of a Binational State?

Senior op-ed writer Akiva Eldar commented in Ha'aretz (6/9): QAmerican pressure is penetrating the hearts of mainstream settlers. People like Uri Elitzur -- who saw from a government office [as Netanyahu's bureau chief in the Q90s] what many settlers do not see from the West Bank -- understand that Barack Obama has changed the rules of the game between the United States and Israel, and that despite the right's victory in the elections, the Palestinians are not planning to go anywhere. What this means is that after 42 years of occupation, the time has come for the settlers to choose between Jewish land and a Jewish state.... On Friday, he debated Gadi Baltiansky, director general of the Geneva Initiative.... Elitzur rejected Obama's notion of a two-state solution, saying a Palestinian state in the 1967 borders would be a hotbed of terror. However, the status quo -- which, he said, means an apartheid state -- is also unacceptable to him. So what does that leave? A binational state.

### IV. QAt Least an Israeli Initiative

Columnist and former intelligence officer Amos Gilboa wrote in the popular, pluralist Maariv (6/9): QBefore Obama's Cairo speech, it was reported that he might adopt the QArab Peace InitiativeQ as part of a regional agreement.... But he didn't.... The picture now emerging is the following: The Arab states are not prepared to change even one word in their initiative nor to make any gestures. It is not surprising that Obama is rebuking them. However, the Arab initiative is alive and kicking. What is missing is an Israeli initiative challenging it.

### IV. QNo Joy for Lebanon

The conservative, independent Jerusalem Post editorialized (6/9): QIt is good that Hizbullah did not achieve a better outcome [in the Lebanese elections]. Yet Israelis would be deluding themselves if they viewed the results as a substantive defeat for the Islamists. The harsh reality, the latest election results notwithstanding, is that Lebanon's radicalized Shi'ites are growing stronger and will need to be accommodated by the QvictoriousQ forces of relative moderation.... It goes without saying that Shi'ite leaders will not honor their pledge to view the election as a referendum on continued QresistanceQ against Israel. Can Lebanon's fate yet be salvaged? Only if the West is prepared to do the heavy lifting required to block Tehran's drive for regional hegemony, and enforce UN Security Council resolutions 1559 and 1701 to stem weapons smuggling into Lebanon.

CUNNINGHAM